Subsidy Scheme for Coffee Growers

610. SHRI RAMACHANDRA KHUNTIA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have decided to introduce an Interest Subsidy Scheme for coffee growers;

(b) if so, the details thereof and the time by which the scheme is likely to be implemented; and

(c) the details of steps taken by Government to help the coffee growers who are facing lots of difficulties owing to steady decline in prices of coffee?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDI): (a) and (b) Yes, Sir. The Coffee Board is implementing an interest subsidy scheme with an outlay of Rs. 4.50 crores, as a pilot project, during the current financial year. The scheme provides 5% interest subsidy relief to the targeted small coffee growers on the crop / working capital loans availed by them from the financial institutions.

(c) With the liberalisation of coffee industry, the trade is in the private hands and the prices of coffee are determined by the market forces of demand and supply. However for the benefit of coffee growers, the Govt. of India through Coffee Board has been operating several plan schemes under which various types of financial and technical assistance are provided to the growers. Further thrust is being given for increasing productivity of coffee particularly in small grower sector and improving quality of the product to achieve competitiveness in the international market. The Board is also encouraging large growers to produce speciality coffee which fetches attractive premium in the developed countries. All these steps are expected to stabilize the prices in the long run and ensure remunerative return to the growers.

In addition, at the behest of Govt. of India, the commercial banks rescheduled the crop loans of small coffee growers and are also extending fresh capital loans to them. The Govt. of India has also approved a transportation subsidy scheme to provide a financial support of Rs. 500 /per tone to coffee exporters for reducing the handling costs.

Coffee Board is also implementing a medium-term export strategy to sustain and gain market share in the key markets and also to improve the competitiveness of India Coffee in the global market over the next few years.